

Property Tax Assessment of Indiana's Woodlands

Land in Indiana is assessed for property taxes according to how the land is used. Woodlands are no different. Woodlands are typically assessed as either residential or agricultural. The size of the parcel does not determine how the woodland is categorized. Your land enrolled in the Classified Forest and Wildlands Program is assessed below the residential and the agricultural assessment.

Residential: When a woodland is used primarily for residential purposes (home sites, recreation, privacy buffers, wildlife viewing), the woodlot should be assessed as residential or residential excess acreage. There does not have to be a house on the property in order to be assessed as residential. Residential land is assessed by the true market value. True market value is determined by using recent local sales of similar property.

For example, a 20 acre woodland is used as a hunting retreat. Based on recent sales in the vicinity, the market value is \$3,000/ acre. The assessed value of the residential woodland is 20 acres x \$3,000 = \$60,000 assessed value.



Residential woodland.
DNR file photo



Agricultural woodland.
DNR file photo

Agricultural: Woodlands grown to produce timber or other forest products should be assessed as agricultural lands. If the forest is part of a larger farm, it should be assessed as agricultural woodland. If the woods is not part of farm, county assessors may ask for documentation to show that land is being used for an agricultural purpose: records of previous timber sales, a forest management plan listing timber production as a primary goal, contracts with a forester or other forestry professional, FSA farm number and receipts for forest management related products (i.e. herbicide, stone).

The assessed value of agricultural land is determined by multiplying the year's agricultural base rate by a soil productivity factor (ranges from 0.5 for poorest soils to 1.28 for the best soils) and then reducing the value by an influence factor if applicable. Agricultural woodlands receive an 80% influence factor deduction.

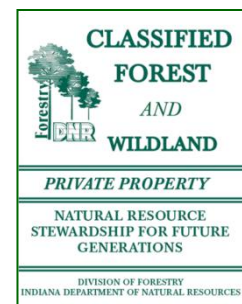
For example, a 20 acre woodland is managed for timber according to a forest management plan. The soil has a productivity factor of 0.9. The assessed value of the woodland is calculated below:

20 acres x \$2,050* agricultural base/acre x 0.9 soil productivity factor = \$36,900

\$36,900 - (\$36,900 x 0.8 woodland influence factor) = \$7,380 assessed value

*This is the agricultural base for 2015. The 2016 agricultural base has not yet been released due to 2016 legislative changes.

Classified Forest & Wildlands Program: Your Classified Forest & Wildland is currently assessed at \$1/acre. In 2017, the assessed value for classified land will increase to \$13.29 and then adjust each year for inflation.



Classified Forest & Wildlands Newsletter 2016

Taxes: Some landowners mistakenly think that the assessed value is the amount of taxes they pay. The amount of tax due is calculated by taking the assessed value by the tax rate. The tax rate for agricultural land and excess residential land is capped at 2%. The table below provides examples of tax due for residential, agricultural, and classified land.

Comparison of Classified Forest & Wildlands to Other Land Assessments				
	Assessed Value/Acre	Tax Due/Acre 1% Tax Rate	Tax Due/Acre 1.5% Tax Rate	Tax Due/Acre 2% Tax Rate
Classified Forest & Wildlands				
2016 Tax Year and Earlier	\$1.00	\$0.01	\$0.02	\$0.02
2017 Tax Year	\$13.29	\$0.13	\$0.20	\$0.27
Agricultural Woodland				
Ag Base: \$2,050; Soil Productivity Factor: 1.28; Influence Factor: 80%	\$524.80	\$5.25	\$7.87	\$10.50
Ag Base: \$2,050; Soil Productivity Factor: 1.00; Influence Factor: 80%	\$410.00	\$4.10	\$6.15	\$8.20
Ag Base: \$2,050; Soil Productivity Factor: 0.75; Influence Factor: 80%	\$307.00	\$3.07	\$4.61	\$6.14
Ag Base: \$2,050; Soil Productivity Factor: 0.50; Influence Factor: 80%	\$205.00	\$2.05	\$3.08	\$4.10
Agricultural Nontillable				
Ag Base: \$2,050; Soil Productivity Factor: 1.28; Influence Factor: 60%	\$1,049.60	\$10.50	\$15.74	\$20.99
Ag Base: \$2,050; Soil Productivity Factor: 1.00; Influence Factor: 60%	\$820.00	\$8.20	\$12.30	\$16.40
Ag Base: \$2,050; Soil Productivity Factor: 0.75; Influence Factor: 60%	\$615.00	\$6.15	\$9.23	\$12.30
Ag Base: \$2,050; Soil Productivity Factor: 0.50; Influence Factor: 60%	\$410.00	\$4.10	\$6.15	\$8.20
Agricultural Wetland/Water				
Ag Base: \$2,050; Soil Productivity Factor: 0.50; Influence Factor: 40%	\$615.00	\$6.15	\$9.23	\$12.30
Excess Residential				
\$2,500	\$2,500	\$25.00	\$37.50	\$50.00
\$5,000	\$5,000	\$50.00	\$75.00	\$100.00
\$7,500	\$7,500	\$75.00	\$112.50	\$150.00